MEDIA RELEASE
MINERALS COUNCIL OF AUSTRALIA

Delivering more competition in coastal shipping will cut costs for business and consumers

Statement from Tania Constable, Chief Executive Officer

MCA supports the continued liberalisation of coastal shipping.

While work is already underway to reform Australia's current coastal shipping regulatory regime, much more needs to be done to revitalise our local shipping industry.

More competition in coastal shipping means lower prices for consumers and reduced input costs for business.

This means a competitive trading system in coastal shipping creates jobs and increases our global competitiveness.

The Productivity Commission has estimated that removing restrictions on coastal shipping would boost the Australian economy by up to $36 million a year.

Any proposal to further regulate coastal shipping would further drive up costs for all Australian businesses and householders by reducing competition in coastal shipping.

Australia's mining sector is by far Australia's largest user of coastal shipping, with bulk commodities accounting for 80 per cent of Australia's coastal shipping trade by tonnage.

For some commodity producers, the cost of shipping final product around Australia is already about the same as shipping from overseas to Australia. One company reported a 63 per cent increase in shipping freight rates interstate in just the first year of the 2012 regime.

Australia's minerals industry supports reforms that were proposed in the Shipping Legislation Amendment Bill 2015, blocked by the Senate, which would introduce a single permit system allowing truly competitive trading conditions for all vessels and ensure that all vessels are subject to the same conditions of access and operation.

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